

NEW HAMPSHIRE STATE LIQUOR COMMISSION
MINUTES
December 30, 2008

PRESENT: Chairman Mark Bodi; Commissioner Patricia Russell; Commissioner Richard Simard; Major Todd Feyrer, Enforcement; Craig Bulkley, Chief of Administration; George Tsiopras, Chief Financial Officer; John Bunnell, Administrator of Marketing & Sales; Peter Engel, Director of Store Operations; Tony Burns, Assistant Director of Store Operations; Rick Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; Kathy McCabe, Director of Purchasing; Evie Taft, Director of Human Resources; Deb Milewski, Director of information Technology; Howard Roundy, OIT.

I) ACCEPTANCE OF MINUTES FROM THE DECEMBER 10 and DECEMBER 17, 2008 NH STATE LIQUOR COMMISSION MEETINGS

It was moved by Chairman Bodi, seconded by Commissioner Simard, that the Commission approve the minutes from the December 10 and December 17, 2008 NH State Liquor Commission meeting. The motion was unanimously accepted.

II) ADMINISTRATIVE SERVICES REPORTS

1) Administrative Issues

There is no update on the Hampton Sewer Project this week. As of last week, they were planning on completing the final connections within the next week to 10 days. This should be completed soon. There was discussion regarding recycling and printing items double sided. This topic will be discussed at the next Senior Staff meeting.

Collective bargaining has started for the next cycle. Tom Manning is running the State's Committee. Evie Taft and Craig Bulkley will be available to attend the Liquor Commission's portion when it's scheduled. It was recommended that Store Operations and Enforcement bring their presentations to the Commission if they are planning to offer recommendations for changes to the existing contract. No dates have been given for the Commission negotiations as yet.

Craig distributed four new fiscal notes this week. More fiscal note requests have arrived, and Craig will continue to work on those to keep the Commission up to date.

2) Financial Report

Looking at the week ending December 29, 2008 sales are up 32.32% and that's reflective of the timing with the Thanksgiving holiday timing. Year to date figures are up 3.32 %. Looking at the month of December as a whole, we're a little over \$200,000 less than last year in sales. George will keep an eye on this for trend information as they project out.

Case sales in Spirits are up 27%, Wine is up 15%, as a whole in total we're up 20%. Interesting note that in year to date we're down in actual bottles sold this year versus last year, and gallons are flat. We're generating additional sales dollars which are up slightly. GP is on the rise.

3) IT Report

The IT Department is focusing on the support of stores and the Commission as we move through the holiday. Development requests will be looked at after holidays are over.

4) Human Resources Report

Human Resources does not have anything to report this week.

III) MARKETING AND SALES REPORT

1) Store Operations

Stores are up \$3.4 million, with the extra day of the holiday. News of note - Tuesday was a record day with sales over \$3 million in stores. Christmas Eve was up over \$2 million, even though stores closed early.

The maintenance crew is hoping to be into their new area by January 12.

LATE ITEM – Request the reduction of holiday hours and staffing for the Martin Luther King/Civil Rights Day celebrated in January.

Commissioner Simard made the motion to approve the reduction of holiday hours and staffing for the Martin Luther King/Civil Rights Day as recommended by Peter Engel. Commissioner Russell seconded the motion. The motion was unanimously adopted.

2) Merchandising Report

A. Purchasing

There is nothing to report or note in purchasing this week. Out of stock has been very good through the season.

B. Warehouse

There are about 50,000 more cases in the warehouse than we had last year.

Commissioner Simard made the motion to group the Spirits Agenda items 1 through 6 for approval, as recommended by Rick Gerrish. Commissioner Russell seconded the motion. The motion was unanimously adopted.

C. Spirits

1. Test Market Request

- a. Approved the request received from Horizon Beverages to list Superia Polish Vodka, 1.75L size (new code--#3270) as a test market item.

2. One Time Buy Requests

- a. Approved the request received from Southern Wine & Spirits to purchase 6 cases (or 36 bottles) of Jameson Irish Whiskey 18 Year Old, 750ML size (code--#999) as a one-time buy.
- b. Denied the request received from Southern Wine & Spirits to purchase 17 cases of Jameson Irish Whiskey Rarest Vintage Reserve, 750ML size, as a one-time buy.
- c. Denied the request received from Horizon Beverages to purchase 200 cases of Pinnacle McIntosh Apple Vodka, 750ML size, as a one-time buy.

3. February Quarterly Price Change

Approved the increase in price of six (6) spirit products (#3545, 3802, 2585, 8068, 1376 and 2120) that were formerly "Hot Brands" effective with the February Quarterly Price Change (2/2/09).

4. February 2009 E-Coupons

Approved nine spirit products (#2645, 2646, 2644, 5168, 5169, 5192, 5365, 408, 3413) to be featured during our February e-mail alert program.

5. President's Day

- a. Approved 27 spirit special offers submitted for our President's Day Sale scheduled for the period February 5th through February 16th, 2009.
- b. Approved 1 additional spirit special offer submitted for our President's Day Sale scheduled for the period February 5th through February 16th, 2009.

6. February Special Offers
 - a. Approved 3 spirit special offers received from Martignetti Companies for the month of February.
 - b. Approved 60 spirit special offers received from Horizon Beverages for the month of February.
 - c. Approved 10 spirit special offers received from Executive Wine & Spirits for the month of February.
 - d. Approved 229 spirit special offers received from Southern Wine & Spirits for the month of February.

Commissioner Simard made the motion to approve the late items listed below, as recommended by Rick Gerrish. Commissioner Russell seconded the motion. The motion was unanimously adopted.

LATE ITEM: Approved the reduction in price for twenty (20) Holiday listing items in order to reduce remaining retail inventory.

LATE ITEM: Approved six (6) spirit special offers for one-time buys received from Martignetti Companies of NH to reduce their price during the months of January & February in order to deplete remaining store inventory.

Commissioner Simard made the motion to group the Wine Agenda items 1 through 6 for approval, as recommended by Nicole Brassard. Commissioner Russell seconded the motion. The motion was unanimously adopted.

D. Wines

1. Close Outs
Approved close-out pricing on two wine products received from Perfecta Wine Company.
2. New Item Roll Out Requests
 - a. Approved the request received from Horizon Beverages to purchase and display cases Greg Norman Chardonnay (code #42787) and Greg Norman Pinot Noir (code #42789) to be distributed in March & April 2009, to cluster one stores, and stores 1, 6, 7, 15, 23, 42, 55, and 60.
 - b. Approved the request received from Horizon Beverages to purchase and display cases of Cupcake Chardonnay (code #11826) and Cupcake Cabernet Sauvignon (code #11825) to be distributed in February and March 2009, to cluster one stores and stores 1, 6, 7, 15, 23, 42, 55 and 60.
3. President's Day Sale Special Offers
Approved two wine special offers submitted for our President's Day Sale scheduled for the period February 5th through February 16th, 2009, as recommended.
4. February Special Offers
 - a. Approved 97 wine special offers received from Southern Wine & Spirits for the month of February.
 - b. Approved 2 wine special offers received from Charles Saunders for the month of February.
 - c. Approved 6 wine special offers received from RP Imports for the month of February.
 - d. Approved 18 wine special offers received from Pine State Trading Company for the month of February.
 - e. Approved 11 wine special offers received from Perfecta Wine Company for the month of February.
 - f. Approved 89 wine special offers received from Martignetti Companies for the month of February.

- g. Approved 11 wine special offers received from Horizon Beverages for the month of February.
 - h. Approved 29 wine special offers received from Executive Wine & Spirits for the month of February.
 - i. Approved 49 wine special offers received from MS Walker for the month of February.
5. Blackstone Case Sale “February 2009”
Approved the request received from Southern Wine & Spirits to offer Blackstone wine codes #32675, 27808, 26092, and 37792 to be on sale at \$9.99 per bottle during the month of February, and in addition, customers will be able to purchase a case (12 bottles or more, mixed and matched) at \$99.99.
6. Primary Source Recommendations
Approved all primary source submissions: Exclusive – 8, Imported – 22

IV) ENFORCEMENT & LICENSING REPORT

Commissioner Simard made the motion to deny the request from MacDaddy’s Place to extend their hours on January 1, 2009 until 2:00 am, as recommended by Major Feyrer. Commissioner Russell seconded the motion. The motion was unanimously adopted.

V) CHAIRMAN’S REPORT & LATE ITEMS

- 1) Bailment Requests
- 2) Coupon Approvals
- 3) Legal Issues

VI) EXECUTIVE SESSION

It is noted that at 1:20 PM, by roll call, it was voted by Chairman Bodi and Commissioners Simard and Russell to enter into Executive Session.

Mark M. Bodi, Chairman

Patricia T. Russell, Commissioner

Richard E. Simard, Commissioner